



# San Diego City Attorney **MICHAEL J. AGUIRRE**

## **NEWS RELEASE**

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### **CITY ATTORNEY STATEMENT THOMAS KING RESIGNATION FROM THE SDCERS BOARD**

Thomas King's resignation from the San Diego City Employees' Retirement System (SDCERS) only strengthens the argument for the appointment of a receiver to oversee the pension system which is currently \$1.7 billion underfunded. While Mr. King's willingness to serve as a volunteer member of the pension board is laudable, the fact that he decided to resign is testament to the difficulties that the system faces. These difficulties are of such magnitude that they clearly require full-time management by professionals in the field.

When Mr. King willingly accepted his appointment in March to the SDCERS Board, he knew, as did most of San Diego, that the system was in financial crisis and that it was being investigated by the U. S. Attorney, FBI, Securities and Exchange Commission, and the City Attorney's Office. He also knew that these investigations would require cooperation from board members to waive the attorney-client privilege. But instead the majority of the Board has stonewalled the process.

In his July 12, 2005 letter of resignation, what Mr. King identifies as grandstanding by the City Attorney is actually my duty to stand up for open government. With open government we can all be informed about the decisions that officials make and that affect our lives every day in many ways.

I also would like to remind Mr. King that what he calls a "power grab" is actually my attempt to regain the City Attorney's position as legal counsel to the SDCERS Board—a position that the City Attorney's office has occupied since 1927. It was only in 1997, when the previous city attorney issued a memorandum of understanding that SDCERS was permitted to hire its own counsel. I terminated this MOU upon assuming office in December 2004. The previous city attorney should have never allowed this change to occur. In doing so, he abandoned his Charter-mandated duties to the City.

Finally, in his letter Mr. King cites the "justified lawsuits" that my Office and the City of San Diego has filed against SDCERS. I did not initiate litigation against the board. My July 8 lawsuit was filed in response to litigation that the SDCERS Board brought against me and the City of San Diego on January 27, 2005. And my July 7 lawsuit was filed on behalf of the People of the State of California against eight individuals whose action helped create the City's massive pension deficit of \$1.7 billion. The lawsuit asks the court to set aside pension benefits that the City Attorney has determined were illegally granted in 1996 and 2002.

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